ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Telecommunications Services Inside Wiring	)	CS Docket No. 95-184
	)	
	)	
Customer Premises Equipment	)	

COMMENTS OF MOTOROLA, INC.

Motorola, Inc. ("Motorola") submits these comments in reply to the Commission's Telecommunications Services Inside Wiring Notice of Proposed Rulemaking ("NPRM"), which solicits comment on the issue of parity between FCC telephone and cable inside wiring rules. Motorola shares with the Commission and Congress a keen interest in promoting facilities-based competition in the development and provision of new services to American consumers. Indeed, technology companies like Motorola are actively vying to play a leading role in the realization of this goal.

Given the speed and breadth of technology development, Motorola believes that the best way to promote competition in the nascent "era of convergence" is to minimize regulation so as to maximize cable operator and telephone company investment in diverse new technologies that will become the driving force behind increased competition. Accordingly, the Commission should review any existing or proposed regulations to determine whether they are absolutely necessary to promote competition. Only if the answer is yes should the FCC then consider how best to apply the regulation to ensure fair and full competition between the cable and telephone industries.

I. TECHNOLOGY IS DRIVING THE EMERGENCE OF FACILITIES-BASED COMPETITION

In assessing the NPRM's proposals, the Commission should recognize the central role that technology plays in the promotion of facilities-based competition. Motorola is a global leader in the provision of wireless communications, semiconductors, and advanced electronic systems. Motorola has used its expertise in radio frequency technology to develop the CableComm™ system, which transforms a hybrid fiber/coaxial ("HFC") cable system into a two-way, interactive network. A cable subscriber using a CableComm™-equipped system can make toll-quality telephone calls and access the Internet and on-line services at much higher data rates than typically available through telephone lines. The system also provides network management and maintenance tools to help ensure reliability, a critical element in an operator's ability to effectively compete in the offering of telecommunications services.[1]

The CableComm™ system provides key solutions to technical issues that are a primary impediment to increased competition. Indeed, CableComm™ addresses two of the principal technical obstacles to transforming cable systems into two-way, interactive

---

[1] The system employs standard interface connectors (RJ-11) to telephone home wiring and industry-standard "F-type" coaxial connectors for the cable interface and cable modem. As the NPRM notes, cable operators "almost exclusively" employ F-type connectors for connection between coaxial wire and equipment. NPRM at ¶ 28. Accordingly, there is no need for the FCC to enact rules governing the connectors used by the cable industry.

systems: the problem of bandwidth availability on the "upstream" path from the subscriber to the cable headend; and the problems caused by the susceptibility of cable infrastructure to interference and noise from the return path. Hence, the Commission should appreciate that the realization of its competition goals, while surely dependent to an extent on appropriate regulatory policy, will likely turn largely on developments in the technology marketplace. Fortunately, that technology is now available.

II. THE MOST EFFECTIVE WAY TO PROMOTE COMPETITION IS TO ALLOW UNIMPEDED INVESTMENT IN THE DEVELOPMENT AND DEPLOYMENT OF NEW TECHNOLOGY

While focusing on inside wiring, the instant proceeding also raises certain questions regarding the regulation of cable-related customer premises equipment.[2] Motorola understands that the Commission will address similar issues more fully in an upcoming proceeding to implement Section 304 of the 1996 Telecommunications Act (the "1996 Act"), which governs navigation devices used with video delivery systems. At the outset, however, Motorola recommends that the Commission proceed with extreme caution on any technical rules at this early stage in the transformation of cable systems into full-fledged competitors for the delivery of switched, interactive services.

Indeed, while CableComm™ and other new technologies are capable of providing the tools to make possible an array of new competitive services to the American public, the overall process of converting cable systems into two-way routes

---

[2] *See* NPRM at ¶¶ 65-76.

on the information superhighway has just begun. The rebuilding process is highly dependent on cost and technological models that are changing rapidly and constantly. Accordingly, it is simply impossible to predict which new services ultimately will be viable or successful in the marketplace. Given this fundamental uncertainty, it is important that the FCC refrain from any action at this early stage that might unwittingly thwart the development of new technology-driven services and products.

Indeed, the 1996 Telecommunications Act (the "1996 Act") specifically recognizes that regulatory efforts to promote competition should not interfere with the highly dynamic workings of the technology sector as market forces bear upon it to advance the same goal. In particular, in directing the FCC to adopt rules providing for the competitive availability of navigation devices,[3] Congress emphasized in the Conference Report that "the Commission [should] avoid actions which could have the effect of freezing or chilling the development of new technologies and services."[4] Similarly, Section 301(f) of the 1996 Act amends 47 U.S.C. § 544A to provide that the FCC may adopt only the minimal standards necessary to complete its prior obligation to ensure cable system/consumer electronics equipment compatibility. The Conference Report cautions that the Commission should not prescribe "premature or overbroad Government standards" that "may interfere in the market-driven process of

---

[3] *See* 47 U.S.C. § 548.

[4] H.R. Conf. Rep. No. 458, 104th Cong., 2d Sess. 181 (1996).

standardization in technology intensive markets."[5] The Commission should heed this congressional warning to the extent it addresses related issues in this proceeding.

Finally, as the Commission moves forward to interpret and implement Congress's directive for competitive availability of navigation devices, consumer convenience should not be forgotten. Consumers today enjoy the benefits of purchasing packages of computer hardware, software, and even on-line services -- all without government restrictions. The cellular industry, which has rapidly grown to over 20 million users in the United States alone, routinely offers consumers the convenience of purchasing a package of equipment and services. Providing such options in the cable context should likewise speed the roll-out of competitive broadband services.

---

[5] *Id.* at 170-71.

III. CONCLUSION

As the cable industry moves to address technical and financial impediments to its emergence as a competitive provider of voice and data services and telephone companies construct broadband systems to provide competitive video services, the Commission should be careful to avoid adopting any rules or standards policies that could deter investment in new technology. The last two decades have shown new technology to be the engine that powers competition and new services in the telecommunications industry. The Commission should allow this vigorous market process to take place, unfettered by unnecessary regulation. By minimizing regulation in this new area, the FCC will best ensure that American consumers reap the competitive benefits offered by technology and envisioned by the 1996 Act.

Respectfully submitted,

MOTOROLA, INC.

Stuart E. Overby
Assistant Director, Spectrum Planning
Motorola, Inc.
1350 I Street, N.W.
Suite 400
Washington, D.C. 20005
(202) 371-6940

Peter D. Ross
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006
(202) 429-4232

March 18, 1996